



MARK PESTRELLA, Director

**COUNTY OF LOS ANGELES  
DEPARTMENT OF PUBLIC WORKS**

*"To Enrich Lives Through Effective and Caring Service"*

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**ADOPTED**

IN REPLY PLEASE  
REFER TO FILE

December 18, 2018

BOARD OF SUPERVISORS  
COUNTY OF LOS ANGELES

The Honorable Board of Supervisors  
County of Los Angeles  
383 Kenneth Hahn Hall of Administration  
500 West Temple Street  
Los Angeles, California 90012

43 December 18, 2018

CELIA ZAVALA  
EXECUTIVE OFFICER

Dear Supervisors:

**CONSTRUCTION-RELATED CONTRACT  
MARTIN LUTHER KING, JR. MEDICAL CAMPUS  
CHILD AND FAMILY WELLBEING CENTER PROJECT  
ESTABLISH CAPITAL PROJECT,  
VARIOUS ACTIONS AND  
APPROVE APPROPRIATION ADJUSTMENT  
(SUPERVISORIAL DISTRICT 2)  
(3 VOTES)**

**SUBJECT**

Public Works is seeking Board approval to establish the proposed Child and Family Wellbeing Center capital project, authorize the Chief Executive Office to enter into, amend, and carry out a funding agreement for up to \$800,000 with APLA Health & Wellness, a California nonprofit public benefit corporation.

**IT IS RECOMMENDED THAT THE BOARD:**

1. Find that the proposed actions to establish the proposed Martin Luther King, Jr. Medical Campus Child and Family Wellbeing Center capital project and to authorize an appropriation adjustment do not constitute projects under the California Environmental Quality Act, and that approval of a funding agreement with APLA Health & Wellness, a California nonprofit public benefit corporation, is exempt under the California Environmental Quality Act for the reasons stated in this letter and in the record of the proposed activities.

2. Find that, pursuant to Government Code Section 26227, the recommended action to approve the funding agreement with APLA Health & Wellness, a California nonprofit public benefit corporation, is necessary to meet the social needs of the population of the County.
3. Establish Capital Project No. 69846, for the Child and Family Wellbeing Center project at the Martin Luther King, Jr. Medical Campus.
4. Authorize the Chief Executive Officer to enter into, amend, and carry out the terms of a funding agreement with APLA Health & Wellness, a California nonprofit public benefit corporation, in the amount up to \$800,000 for costs associated with the development of a new APLA Health & Wellness facility, of which up to \$150,000 may be used for costs associated with a temporary modular dental unit; and further authorize the Chief Executive Officer to determine the ultimate amount of the funding agreement, up to the \$800,000 not-to-exceed amount, as further described below.
5. Approve an Appropriation Adjustment to the Project and Facility Development budget unit by \$800,000.

#### **PURPOSE/JUSTIFICATION OF RECOMMENDED ACTION**

Approval of the recommended actions will: (1) find that the actions do not constitute projects under the California Environmental Quality Act (CEQA) or that they are exempt from CEQA; (2) establish the capital project for the proposed Child and Family Wellbeing Center, Capital Project No. (C.P) 69846 at the Martin Luther King, Jr. (MLK) Medical Campus; (3) authorize a funding agreement with APLA Health & Wellness, a California nonprofit public benefit corporation (APLA); (4) find that the funding agreement with APLA is necessary to meet the social needs of the population of the County, and (5) approve an Appropriation Adjustment.

#### **Background**

The existing MLK Medical Hub Clinic was constructed in 1974 and is an approximately 12,000 square feet modular structure, located at 1721 East 120th Street, Trailer 6, Los Angeles, CA 90059, that provides outpatient clinical services for at-risk pediatric and adolescent patients and families. The existing structure has far exceeded the normal useful life for a modular structure and has warped floorboards, leaking roof, and a non-functional heating, ventilation, and cooling system which render the building incapable of providing efficient, effective, and safe patient care. On January 9, 2015, the Department of Health Services (DHS) conducted an assessment that identified inadequate space issues and recommended construction of a new clinic.

The proposed MLK Child and Family Wellbeing Center project would replace the existing MLK Medical Hub Clinic with a three-story, approximately 55,000 square feet modular building located at the northwest corner of East 120th Street and Holmes Avenue, to the east of the MLK Medical Hub Clinic and across the street from the MLK Medical Campus.

#### **MLK Child and Family Wellbeing Center Project, C.P. 69846**

In addition to the services that are currently provided at the MLK Medical Hub Clinic, the proposed MLK Child and Family Wellbeing Center would house a pediatric mental health and primary care clinic operated by the Department of Mental Health (DMH) and DHS, respectively; an autism center that will provide programs and services for families with children who have special needs, as well as

a pediatric vision and dental clinic; a Family Justice Center, and associated support and administrative spaces. The proposed project would also include on- and off-site improvements, including additional surface parking spaces required to support the visitors and staff needs of the new MLK Child and Family Wellbeing Center. Upon completion of the MLK Child and Family Wellbeing Center, the existing MLK Medical Hub Clinic would be demolished to provide spaces for more surface parking. Public Works plans to deliver the project through a design-build contract.

A portion of the County-owned site where the proposed MLK Child and Family Wellbeing Center is planned to be located, is currently occupied by APLA. To accommodate the proposed project, APLA may need to establish a temporary relocation further west adjacent to the Charles R. Drew University of Medicine and Science (CDU) campus to operate a temporary modular dental unit.

As a long-term location, the County and CDU are anticipating entering into negotiations with CDU on a proposed future lease to construct a new 9,000 square feet facility for APLA use as medical and dental space by CDU and APLA.

Public Works is completing the scoping documents and environmental documents for the proposed MLK Child and Family Wellbeing Center project using Board-approved, as-needed consultants. Public Works will return to the Board no later than April 2019 to recommend approval of environmental findings for the proposed MLK Child and Family Wellbeing Center project. Upon completion of the scoping documents, Public Works will return to the Board no later than June 2019 to seek approval of the project, project budget and schedule, and award of the design-build contract for delivery of the proposed MLK Child and Family Wellbeing Center project.

#### Funding Agreement with APLA

On June 26, 2007, and April 8, 2008, the Board approved motions instructing the Chief Executive Office to negotiate a 10-year gratis lease (including two 5-year options) with APLA Dental Services, now known as APLA Health & Wellness, for construction of a 3,000 square feet modular building located at 1741 East 120th Street, Los Angeles, CA on the grounds of MLK. The lease was entered into on June 23, 2008.

The proposed MLK Child and Family Wellbeing Center project will be located on the grounds where the existing APLA modular building is located, thus requiring the relocation of APLA as discussed above. A funding agreement in the amount up to \$800,000 will allow APLA to fund a portion of the cost to construct a new facility for APLA. As a result of having to relocate, APLA is evaluating if it is cost-effective to procure a temporary modular dental unit for the short duration of less than one-year until the new APLA facility is completed, or to refer their patients to one of their three facilities located in Baldwin Hills, Long Beach, and Los Angeles. The funding agreement to APLA will accommodate potential costs, and expenses that APLA may incur should APLA determine that it is necessary to establish a temporary modular dental unit. The funding agreement, including as it may be amended, will provide a grant to APLA in the amount of up to \$800,000 as follows: 1) up to \$650,000 for costs associated with the new APLA facility, and 2) up to \$150,000 for costs to establish a temporary modular dental unit, should APLA determine that it is necessary to meet its patients' needs. However, should APLA not establish a temporary modular dental unit because it can adequately meet its patients' needs at its other locations, then the funding amount will be in the amount up to \$650,000 solely for costs associated with the development of the new APLA facility.

## **Implementation of Strategic Plan Goals**

The County Strategic Plan directs the provisions of Strategy II.1, Drive Economic and Workforce Development in the County; Strategy II.2, Support the Wellness of our Communities; and Strategy III.3, Pursue Operational Effectiveness, Fiscal Responsibility, and Accountability. The recommended actions support the Strategic Plan by investing in public infrastructure that will improve County services and facilities for the residents of the County seeking healthcare assistance.

## **FISCAL IMPACT/FINANCING**

The preliminary estimate for the MLK Child and Family Wellbeing Center project is approximately \$10,000,000. We will return to the Board no later than June 2019 to seek approval of the project budget and schedule and award of the design-build contract.

The proposed funding agreement in the amount up to \$800,000 will be funded by the Health Agency departments within their existing departmental resources, based on the following preliminary allocation: Health Services – 56.3 percent, Mental Health – 29.1 percent, and Public Health – 14.6 percent. The final allocation will be adjusted based on actual program and space allocation of the proposed MLK Child and Family Wellbeing Center project for each department.

Approval of the enclosed Fiscal Year 2018-19 Appropriation Adjustment will increase the Project and Facility Development budget unit by \$800,000 from the Health Agency departments via intrafund transfer as follows: \$450,000 from Health Services, \$233,000 from Mental Health, and \$117,000 from Public Health. Should APLA not establish a temporary modular dental unit, the departmental allocation will be reduced accordingly based on the lesser amount of \$650,000.

## **FACTS AND PROVISIONS/LEGAL REQUIREMENTS**

Pursuant to California Government Code Section 26227, the Board may expend money for projects and/or programs that will serve the social needs of the County, and the County may contract with other public agencies, private agencies, non-profit entities, or individuals for those projects and/or programs. The purpose of the recommended action to provide funding to APLA will serve the social needs of the County in regard to providing dental care to underserved communities in the County.

## **ENVIRONMENTAL DOCUMENTATION**

The establishment of the capital project and execution of a funding agreement do not constitute approval of projects under CEQA since these are activities that are excluded from the definition of a project by Section 21065 of the Public Resources Code and Section 15378(b)(4) and (5) of the State CEQA Guidelines. The proposed activities are administrative activities of government involving the creation of government funding mechanisms or other government fiscal activities that do not encompass a commitment to a specific project that may result in a potentially significant impact on the environment and are an organizational or administrative activity of government that will not result in direct or indirect physical changes to the environment.

Execution of the funding agreement, which involves allocation of funding for the possible temporary relocation of the APLA dental services and implementation by CDU of the approximately 9,000 square feet APLA facility are exempt from CEQA under Sections 15301 (a); 15303(c) and (d) and

15311(c) of the State CEQA Guidelines and Classes 1(d) and (k) and 11(h) because the actions involve minor alterations of existing facilities, construction of new small facilities and placement of temporary facilities. The potential temporary relocation of the APLA dental services will involve negligible or no expansion of use. In addition, based on the records of the proposed activities to be funded, it will comply with all applicable regulations, it is not in a sensitive environment, and there are no cumulative impacts, unusual circumstances, damage to scenic highway, listing on hazardous waste lists compiled pursuant to Government Code Section 69562.5, or indications that it may cause substantial adverse change in the significance of a historical resources that would make the exemption inapplicable.

Upon the Board's approval of the recommended actions, Public works will file a Notice of Exemption with the County Clerk in accordance with Section 21152 of the California Public Resources Code.

Public Works will return to the Board to recommend appropriate environmental findings and project approval recommendations prior to implementing any future activity that would constitute a project under CEQA.

### **CONTRACTING PROCESS**

Public Works is completing the scoping documents and environmental documents for the proposed project using Board-approved as-needed consultants.

### **IMPACT ON CURRENT SERVICES (OR PROJECTS)**

Approval of the recommended actions will have no impact on current services.

### **CONCLUSION**

Please return one adopted copy of this Board letter to Public Works, Project Management Division I.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "Mark Pestrella". The signature is fluid and cursive, with the first name "Mark" and last name "Pestrella" clearly distinguishable.

MARK PESTRELLA

Director

MP:AKM:ms

Enclosures

- c: Arts Commission
- Chief Executive Office (Capital Programs Division)
- County Counsel
- Executive Office
- Department of Health Services (Capital Programs Division)
- Department of Mental Health
- Department of Public Health
- Health Agency

December 18, 2018

COUNTY OF LOS ANGELES

**REQUEST FOR APPROPRIATION ADJUSTMENT**

DEPARTMENT OF CHIEF EXECUTIVE OFFICE

**AUDITOR-CONTROLLER:**

THE FOLLOWING APPROPRIATION ADJUSTMENT IS DEEMED NECESSARY BY THIS DEPARTMENT. PLEASE CONFIRM THE ACCOUNTING ENTRIES AND AVAILABLE BALANCES AND FORWARD TO THE CHIEF EXECUTIVE OFFICER FOR HER RECOMMENDATION OR ACTION.

**ADJUSTMENT REQUESTED AND REASONS THEREFORE  
FY 2018-19  
3 - VOTES**

SOURCES

USES

PROJECT AND FACILITY DEVELOPMENT  
A01-CF-6800-10190  
INTRAFUND TRANSFERS  
DECREASE APPROPRIATION

800,000

PROJECT AND FACILITY DEVELOPMENT  
A01-CF-5500-10190  
OTHER CHARGES  
INCREASE APPROPRIATION

800,000

SOURCES TOTAL \$ 800,000

USES TOTAL \$ 800,000

**JUSTIFICATION**

Reflects the increase in appropriation to the Project & Facility Development budget unit for a funding agreement with the APLA Health & Wellness related to the MLK Child and Family Wellbeing Center project (Capital Project No. 69846). The cost will be offset by funding from the Health Agency departments.

**ADOPTED**

BOARD OF SUPERVISORS  
COUNTY OF LOS ANGELES

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DEC 18 2018

AUTHORIZED SIGNATURE

JAMES YUN, ACTING MANAGER, CEO

BOARD OF SUPERVISOR'S APPROVAL (AS REQUESTED/REVISED)

CELIA ZAVALA  
EXECUTIVE OFFICER

REFERRED TO THE CHIEF EXECUTIVE OFFICER FOR---

- ACTION
- RECOMMENDATION

AUDITOR-CONTROLLER

BY

B.A. NO. 081

DATE Dec. 7, 2018

- APPROVED AS REQUESTED
- APPROVED AS REVISED

CHIEF EXECUTIVE OFFICER

BY

DATE 12.7.18